

World Pork Trade Overview

Total Pork Trade Forecast at Record Level for 2002; But U.S. Exports Decline

World Trade: Total pork exports for major exporting countries are forecast to increase 4 percent to a record 3.7 million tons in 2002. Pork exports are forecast higher for the EU, Brazil, Poland, and Canada. The United States' pork exports are forecast to decline from the 2001 record as competition stiffens in world markets. *For additional analysis, data, and updated Country Pages, please refer to the USDA/FAS Dairy, Livestock, and Poultry Division at www.fas.usda.gov/dlp/dlp.html*

Key Exporters:

- **United States:** Pork exports for 2002 are forecast at 674,000 tons, down 5 percent from the 2001 record level. U.S. pork exports are facing increasing competition in the major markets of Japan and Mexico. In Japan, by far the most important U.S. pork export market representing 48 percent of U.S. pork exports in 2001, pork imports are expected to remain static. In Mexico, the second most important U.S. export market accounting for 22 percent of U.S. pork exports in 2001, pork products are expected to face increasing competition from Canada. The United States is the world's third largest pork exporter.
- **Brazil:** After doubling in 2001, pork exports for 2002 are forecast at a new record, up another 8 percent to 365,000 tons. Low production cost and recent investments to expand production capacity have succeeded in making Brazil a significant pork exporter. Pork exports to Russia exploded from 24 tons in 1999 to 148,000 in 2001 and accounted for an estimated one-third of Russian pork imports. Brazil is expected to continue to expand exports in the coming years. Brazil is the world's fourth largest pork exporter.
- **Canada:** After eclipsing U.S. pork exports in 2000, Canada is forecast to set another record at 750,000 tons of pork exports in 2002. Canada continues to market about 60 percent of its exports to the United States. Canada continues to expand its markets in Japan and Russia, growing 23 and 155 percent, respectively, in 2001 from the previous year. Canada is the world's second largest pork exporter.
- **European Union:** Pork exports for 2002 are forecast at 1.3 million tons, up 7 percent from the previous year, but below the 1999 record level. The EU is expected to rebound from the 2001 reduced level when FMD caused EU pork exports to be locked out of many countries. Pork export refunds are still not granted, thus mitigating a more rapid export expansion. The EU is the world's largest pork exporter.

Key Importers:

- **United States:** Pork imports for 2002 are forecast at 435,000 tons, essentially unchanged from the previous year and marginally below the 2000 record. Canada continues to be the dominant foreign supplier. Canada's pork industry continues to

expand, and its proximity to the United States permits U.S. buyers to source Canadian cuts more cheaply and conveniently than most EU products. The EU is expected to regain some of its pre-FMD share of the U.S. pork market with increases in Danish spare ribs offsetting decreases in Danish hams. The United States is the world's third largest pork importer.

- **Hong Kong:** Pork imports for 2002 are forecast at 280,000 tons, up 8 percent from the previous year due, in part, to changing consumer preferences from freshly slaughtered meats to chilled/frozen. Pork imports from China may increase as the Chinese government now allows more than one agent to market its meat in Hong Kong. Hong Kong is the world's fifth largest pork importer.
- **Japan:** Pork imports for 2002 are forecast at 1.07 million tons, near the same level as the previous year. In 2001, pork imports jumped 7 percent from the previous year due, in part, to BSE vis-à-vis beef and other significant food safety concerns that developed in the fourth quarter. With continued BSE concerns, pork consumption is expected to remain strong. In the last half of 2002, Korea is expected to enter Japan's pork market after a 2-year absence due to FMD in its swine herd. Japan is the world's largest pork importer.
- **Mexico:** Pork imports for 2002 are forecast at a record 315,000 tons, up 7 percent from the previous year. Domestic production and imports are growing equally to meet consumer demand. Although imports are still expanding, the year-over-year rates of increase in pork imports are slowing to rates below the 48 percent average annual increases that were established between 1997 and 2000. The dominance of the United States in the Mexican pork import market is expected to continue but is being challenged by Canada. The lower-priced Canadian dollar, relative to the U.S. dollar in peso terms, provides an added competitive advantage to Canadian pork products in Mexico. Mexico is the world's fourth largest pork importer.
- **Russia:** Pork imports for 2002 are forecast at 630,000 tons, up 15 percent from the previous year. Suppliers of inexpensive meat cuts will continue to do well in the Russian market. Although the EU is the main supplier of pork, Brazil is rapidly becoming more prominent. The swine herd in Russia is forecast to expand for the first time in 12 years. Russia is the world's second largest pork importer.